



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB3847

by Rep. Elgie R. Sims, Jr.

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Securities Law of 1953. Creates an exemption from certain filing and registration requirements under the Act for intrastate securities offerings that meet certain conditions, including that (1) the offering meets all of the requirements of the federal exemption for intrastate offerings provided under the Securities Exchange Act of 1933; (2) the aggregate purchase price of all securities sold by an issuer within any 12-month period does not exceed certain monetary limitations; and (3) the aggregate amount sold to any purchaser in an offering of securities made within any consecutive 12-month period does not exceed certain monetary limitations. Provides that an issuer may make an offering or sale of securities through the use of one or more qualified Internet portals, subject to certain requirements, including that (i) the Internet portal shall at all times be owned by a corporation or other legal entity which is either organized under the laws of, or is otherwise qualified to do business in, this State; (ii) the Internet portal shall establish and maintain commercially reasonable measures to limit access to any information concerning an offering or sale of the subject securities to residents of this State; and (iii) the Internet portal shall establish and maintain a secure method of communication through the Internet portal itself that will permit potential investors to communicate with one another and with representatives of the issuer about the offering. Requires the Secretary of State to collect a \$100 fee for securities offered or sold under the exemption created under this amendatory Act; and a \$300 fee for the registration and renewal of a qualified Internet portal.

LRB099 10515 JLS 30742 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Securities Law of 1953 is amended
5 by changing Sections 4, 11a, and 18.1 and by adding Sections
6 2.34, 2.35, 2.36, 2.37, and 8d as follows:

7 (815 ILCS 5/2.34 new)

8 Sec. 2.34. Accredited investor. "Accredited investor" has
9 the meaning given to that term in 17 CFR 230.501(a), as amended
10 and in effect from time to time.

11 (815 ILCS 5/2.35 new)

12 Sec. 2.35. Qualified escrowee. "Qualified escrowee" means
13 a person, firm, partnership, association, corporation, or
14 other legal entity who: (a) falls under the definition of
15 "title insurance company" under, and pursuant to the terms and
16 requirements of, the Title Insurance Act; or (b) is certified
17 as an independent escrowee under, and pursuant to the terms and
18 requirements of, the Title Insurance Act.

19 (815 ILCS 5/2.36 new)

20 Sec. 2.36. Qualified Internet portal. "Qualified Internet
21 portal" means an Internet portal maintained by a corporation or

1 other legal entity that is being used to offer or sell
2 securities and that meets the requirements of Section 8d of
3 this Act.

4 (815 ILCS 5/2.37 new)

5 Sec. 2.37. Experienced investor. "Experienced investor"
6 means:

7 (a) a natural person whose individual income exceeded
8 \$150,000, or joint income with that person's spouse
9 exceeded \$200,000, in each of the 2 most recent years, and
10 such person has a reasonable expectation of reaching the
11 same income level in the current year;

12 (b) a natural person whose individual net worth exceeds
13 \$500,000, or joint net worth with that person's spouse,
14 exceeds \$750,000, provided that net worth for purposes of
15 this subsection shall be calculated in the same manner as
16 provided in 17 CFR 230.501(a);

17 (c) a natural person who has passed the Series 7 and
18 the Series 63 licensing exams, or the Series 66 licensing
19 exam, or who is otherwise licensed in the State to practice
20 as an accountant or financial planner;

21 (d) a natural person who has received an advanced
22 degree (a master's degree or higher) in finance or
23 accounting from an accredited educational institution or
24 has completed a State recognized securities investment
25 training program;

1 (e) a natural person who has worked at least 3 years
2 (consecutively or non-consecutively) out of the then most
3 recent consecutive 10-year period in a position materially
4 focused on analyzing, accounting for, drafting material
5 documentation in connection with (including legal
6 documentation), or otherwise advising issuers or
7 purchasers with respect to, transactions involving the
8 offer or sale of publicly sold or privately placed
9 securities;

10 (f) any entity (including, without limitation, any
11 trust) in which at least 90% of the equity interest is
12 owned by (or with respect to any trust, the primary
13 beneficiaries are) persons who meet one or more of the
14 criteria in items (a) through (e) of this Section;

15 (g) with respect to participating in an offering of a
16 particular issuer, a natural person serving as an officer,
17 director, partner, trustee of, or otherwise occupying
18 similar status or performing similar functions with
19 respect to, such issuer; or

20 (h) with respect to participating in an offering of a
21 particular issuer, a natural person or entity who owns 10%
22 or more of the then aggregate outstanding voting capital
23 securities of such issuer.

24 In 2019 and every 5th year thereafter, the Secretary of
25 State shall cumulatively adjust the dollar limitations in items
26 (a) and (b) to reflect the change in the Consumer Price Index

1 for all Urban Consumers published by the United States
2 Department of Labor, Bureau of Labor Statistics, rounding each
3 dollar limitation to the nearest \$10,000.

4 (815 ILCS 5/4) (from Ch. 121 1/2, par. 137.4)

5 Sec. 4. Exempt transactions. The provisions of Sections 2a,
6 5, 6 and 7 of this Act shall not apply to any of the following
7 transactions, except where otherwise specified in this Section
8 4:

9 A. Any offer or sale, whether through a dealer or
10 otherwise, of securities by a person who is not an issuer,
11 underwriter, dealer or controlling person in respect of such
12 securities, and who, being the bona fide owner of such
13 securities, disposes thereof for his or her own account;
14 provided, that such offer or sale is not made directly or
15 indirectly for the benefit of the issuer or of an underwriter
16 or controlling person.

17 B. Any offer, sale, issuance or exchange of securities of
18 the issuer to or with security holders of the issuer except to
19 or with persons who are security holders solely by reason of
20 holding transferable warrants, transferable options, or
21 similar transferable rights of the issuer, if no commission or
22 other remuneration is paid or given directly or indirectly for
23 or on account of the procuring or soliciting of such sale or
24 exchange (other than a fee paid to underwriters based on their
25 undertaking to purchase any securities not purchased by

1 security holders in connection with such sale or exchange).

2 C. Any offer, sale or issuance of securities to any
3 corporation, bank, savings bank, savings institution, savings
4 and loan association, trust company, insurance company,
5 building and loan association, or dealer; to a pension fund,
6 pension trust, or employees' profit sharing trust, other
7 financial institution or institutional investor, any
8 government or political subdivision or instrumentality
9 thereof, whether the purchaser is acting for itself or in some
10 fiduciary capacity; to any partnership or other association
11 engaged as a substantial part of its business or operations in
12 purchasing or holding securities; to any trust in respect of
13 which a bank or trust company is trustee or co-trustee; to any
14 entity in which at least 90% of the equity is owned by persons
15 described under subsection C, H, or S of this Section 4; to any
16 employee benefit plan within the meaning of Title I of the
17 Federal ERISA Act if (i) the investment decision is made by a
18 plan fiduciary as defined in Section 3(21) of the Federal ERISA
19 Act and such plan fiduciary is either a bank, savings and loan
20 association, insurance company, registered investment adviser
21 or an investment adviser registered under the Federal 1940
22 Investment Advisers Act, or (ii) the plan has total assets in
23 excess of \$5,000,000, or (iii) in the case of a self-directed
24 plan, investment decisions are made solely by persons that are
25 described under subsection C, D, H or S of this Section 4; to
26 any plan established and maintained by, and for the benefit of

1 the employees of, any state or political subdivision or agency
2 or instrumentality thereof if such plan has total assets in
3 excess of \$5,000,000; or to any organization described in
4 Section 501(c)(3) of the Internal Revenue Code of 1986, any
5 Massachusetts or similar business trust, or any partnership, if
6 such organization, trust, or partnership has total assets in
7 excess of \$5,000,000.

8 D. The Secretary of State is granted authority to create by
9 rule or regulation a limited offering transactional exemption
10 that furthers the objectives of compatibility with federal
11 exemptions and uniformity among the states. The Secretary of
12 State shall prescribe by rule or regulation the amount of the
13 fee for filing any report required under this subsection, but
14 the fee shall not be less than the minimum amount nor more than
15 the maximum amount established under Section 11a of this Act
16 and shall not be returnable in any event.

17 E. Any offer or sale of securities by an executor,
18 administrator, guardian, receiver or trustee in insolvency or
19 bankruptcy, or at any judicial sale, or at a public sale by
20 auction held at an advertised time and place, or the offer or
21 sale of securities in good faith and not for the purpose of
22 avoiding the provisions of this Act by a pledgee of securities
23 pledged for a bona fide debt.

24 F. Any offer or sale by a registered dealer, either as
25 principal or agent, of any securities (except face amount
26 certificate contracts and investment fund shares) at a price

1 reasonably related to the current market price of such
2 securities, provided:

3 (1) (a) the securities are issued and outstanding;

4 (b) the issuer is required to file reports pursuant
5 to Section 13 or Section 15(d) of the Federal 1934 Act
6 and has been subject to such requirements during the 90
7 day period immediately preceding the date of the offer
8 or sale, or is an issuer of a security covered by
9 Section 12(g) (2) (B) or (G) of the Federal 1934 Act;

10 (c) the dealer has a reasonable basis for believing
11 that the issuer is current in filing the reports
12 required to be filed at regular intervals pursuant to
13 the provisions of Section 13 or Section 15(d), as the
14 case may be, of the Federal 1934 Act, or in the case of
15 insurance companies exempted from Section 12(g) of the
16 Federal 1934 Act by subparagraph 12(g) (2) (G) thereof,
17 the annual statement referred to in Section
18 12(g) (2) (G) (i) of the Federal 1934 Act; and

19 (d) the dealer has in its records, and makes
20 reasonably available upon request to any person
21 expressing an interest in a proposed transaction in the
22 securities, the issuer's most recent annual report
23 filed pursuant to Section 13 or 15(d), as the case may
24 be, of the Federal 1934 Act or the annual statement in
25 the case of an insurance company exempted from Section
26 12(g) of the Federal 1934 Act by subparagraph

1 12(g) (2) (G) thereof, together with any other reports
2 required to be filed at regular intervals under the
3 Federal 1934 Act by the issuer after such annual report
4 or annual statement; provided that the making
5 available of such reports pursuant to this
6 subparagraph, unless otherwise represented, shall not
7 constitute a representation by the dealer that the
8 information is true and correct, but shall constitute a
9 representation by the dealer that the information is
10 reasonably current; or

11 (2) (a) prior to any offer or sale, an application for
12 the authorization thereof and a report as set forth
13 under sub-paragraph (d) of this paragraph (2) has been
14 filed by any registered dealer with and approved by the
15 Secretary of State pursuant to such rules and
16 regulations as the Secretary of State may prescribe;

17 (b) the Secretary of State shall have the power by
18 order to refuse to approve any application or report
19 filed pursuant to this paragraph (2) if

20 (i) the application or report does not comply
21 with the provisions of this paragraph (2), or

22 (ii) the offer or sale of such securities would
23 work or tend to work a fraud or deceit, or

24 (iii) the issuer or the applicant has violated
25 any of the provisions of this Act;

26 (c) each application and report filed pursuant to

1 this paragraph (2) shall be accompanied by a filing fee
2 and an examination fee in the amount established
3 pursuant to Section 11a of this Act, which shall not be
4 returnable in any event;

5 (d) there shall be submitted to the Secretary of
6 State no later than 120 days following the end of the
7 issuer's fiscal year, each year during the period of
8 the authorization, one copy of a report which shall
9 contain a balance sheet and income statement prepared
10 as of the issuer's most recent fiscal year end
11 certified by an independent certified public
12 accountant, together with such current information
13 concerning the securities and the issuer thereof as the
14 Secretary of State may prescribe by rule or regulation
15 or order;

16 (e) prior to any offer or sale of securities under
17 the provisions of this paragraph (2), each registered
18 dealer participating in the offer or sale of such
19 securities shall provide upon request of prospective
20 purchasers of such securities a copy of the most recent
21 report required under the provisions of sub-paragraph
22 (d) of this paragraph (2);

23 (f) approval of an application filed pursuant to
24 this paragraph (2) of subsection F shall expire 5 years
25 after the date of the granting of the approval, unless
26 said approval is sooner terminated by (1) suspension or

1 revocation by the Secretary of State in the same manner
2 as is provided for in subsections E, F and G of Section
3 11 of this Act, or (2) the applicant filing with the
4 Secretary of State an affidavit to the effect that (i)
5 the subject securities have become exempt under
6 Section 3 of this Act or (ii) the applicant no longer
7 is capable of acting as the applicant and stating the
8 reasons therefor or (iii) the applicant no longer
9 desires to act as the applicant. In the event of the
10 filing of an affidavit under either preceding
11 sub-division (ii) or (iii) the Secretary of State may
12 authorize a substitution of applicant upon the new
13 applicant executing the application as originally
14 filed. However, the aforementioned substituted
15 execution shall have no effect upon the previously
16 determined date of expiration of approval of the
17 application. Notwithstanding the provisions of this
18 subparagraph (f), approvals granted under this
19 paragraph (2) of subsection F prior to the effective
20 date of this Act shall be governed by the provisions of
21 this Act in effect on such date of approval; and

22 (g) no person shall be considered to have violated
23 Section 5 of this Act by reason of any offer or sale
24 effected in reliance upon an approval granted under
25 this paragraph (2) after a termination thereof under
26 the foregoing subparagraph (f) if official notice of

1 such termination has not been circulated generally to
2 dealers by the Secretary of State and if such person
3 sustains the burden of proof that he or she did not
4 know, and in the exercise of reasonable care, could not
5 have known, of the termination; or

6 (3) the securities, or securities of the same class,
7 are the subject of an existing registration under Section 5
8 of this Act.

9 The exemption provided in this subsection F shall apply
10 only if the offer or sale is made in good faith and not for the
11 purpose of avoiding any of the provisions of this Act, and only
12 if the offer or sale is not made for the direct or indirect
13 benefit of the issuer of the securities, or the controlling
14 person in respect of such issuer.

15 G. (1) Any offer, sale or issuance of a security, whether
16 to residents or to non-residents of this State, where:

17 (a) all sales of such security to residents of this
18 State (including the most recent such sale) within the
19 immediately preceding 12-month period have been made
20 to not more than 35 persons or have involved an
21 aggregate sales price of not more than \$1,000,000;

22 (b) such security is not offered or sold by means
23 of any general advertising or general solicitation in
24 this State; and

25 (c) no commission, discount, or other remuneration
26 exceeding 20% of the sale price of such security, if

1 sold to a resident of this State, is paid or given
2 directly or indirectly for or on account of such sales.

3 (2) In computing the number of resident purchasers or
4 the aggregate sales price under paragraph (1) (a) above,
5 there shall be excluded any purchaser or dollar amount of
6 sales price, as the case may be, with respect to any
7 security which at the time of its sale was exempt under
8 Section 3 or was registered under Section 5, 6 or 7 or was
9 sold in a transaction exempt under other subsections of
10 this Section 4.

11 (3) A prospectus or preliminary prospectus with
12 respect to a security for which a registration statement is
13 pending or effective under the Federal 1933 Act shall not
14 be deemed to constitute general advertising or general
15 solicitation in this State as such terms are used in
16 paragraph (1) (b) above, provided that such prospectus or
17 preliminary prospectus has not been sent or otherwise
18 delivered to more than 150 residents of this State.

19 (4) The Secretary of State shall by rule or regulation
20 require the filing of a report or reports of sales made in
21 reliance upon the exemption provided by this subsection G
22 and prescribe the form of such report and the time within
23 which such report shall be filed. Such report shall set
24 forth the name and address of the issuer and of the
25 controlling person, if the sale was for the direct or
26 indirect benefit of such person, and any other information

1 deemed necessary by the Secretary of State to enforce
2 compliance with this subsection G. The Secretary of State
3 shall prescribe by rule or regulation the amount of the fee
4 for filing any such report, established pursuant to Section
5 11a of this Act, which shall not be returnable in any
6 event. The Secretary of State may impose, in such cases as
7 he or she may deem appropriate, a penalty for failure to
8 file any such report in a timely manner, but no such
9 penalty shall exceed an amount equal to five times the
10 filing fee. The contents of any such report or portion
11 thereof may be deemed confidential by the Secretary of
12 State by rule or order and if so deemed shall not be
13 disclosed to the public except by order of court or in
14 court proceedings. The failure to file any such report
15 shall not affect the availability of such exemption, but
16 such failure to file any such report shall constitute a
17 violation of subsection D of Section 12 of this Act,
18 subject to the penalties enumerated in Section 14 of this
19 Act. The civil remedies provided for in subsection A of
20 Section 13 of this Act and the civil remedies of rescission
21 and appointment of a receiver, conservator, ancillary
22 receiver or ancillary conservator provided for in
23 subsection F of Section 13 of this Act shall not be
24 available against any person by reason of the failure to
25 file any such report or on account of the contents of any
26 such report.

1 H. Any offer, sale or issuance of a security to an
2 accredited investor, whether made through a qualified Internet
3 portal or otherwise, if no commission or other remuneration is
4 paid or given directly or indirectly for soliciting any person
5 in this State, except to broker-dealers and agents licensed in
6 this State. ~~(1) any natural person who has, or is reasonably~~
7 ~~believed by the person relying upon this subsection H to have,~~
8 ~~a net worth or joint net worth with that person's spouse, at~~
9 ~~the time of the offer, sale or issuance, in excess of~~
10 ~~\$1,000,000 excluding the value of a principal residence, or (2)~~
11 ~~any natural person who had, or is reasonably believed by the~~
12 ~~person relying upon this subsection H to have had, an income or~~
13 ~~joint income with that person's spouse, in excess of \$200,000~~
14 ~~in each of the two most recent years and who reasonably~~
15 ~~expects, or is reasonably expected to have, an income in excess~~
16 ~~of \$200,000 in the current year, or (3) any person that is not~~
17 ~~a natural person and in which at least 90% of the equity~~
18 ~~interest is owned by persons who meet either of the tests set~~
19 ~~forth in clauses (1) or (2) of this subsection H; provided that~~
20 ~~such security is not offered or sold by means of any general~~
21 ~~advertising or general solicitation in this State.~~

22 I. Any offer, sale or issuance of securities to or for the
23 benefit of security holders of any person incident to a vote by
24 such security holders pursuant to such person's organizational
25 document or any applicable statute of the jurisdiction of such
26 person's organization, on a merger, consolidation,

1 reclassification of securities, or sale or transfer of assets
2 in consideration of or exchange for securities of the same or
3 another person.

4 J. Any offer, sale or issuance of securities in exchange
5 for one or more outstanding securities, claims or property
6 interests, or partly in such exchange and partly for cash,
7 where such offer, sale or issuance is incident to a
8 reorganization, recapitalization, readjustment, composition or
9 settlement of a claim, as approved by a court of competent
10 jurisdiction of the United States, or any state.

11 K. Any offer, sale or issuance of securities for patronage,
12 or as patronage refunds, or in connection with marketing
13 agreements by cooperative associations organized exclusively
14 for agricultural, producer, marketing, purchasing, or consumer
15 purposes; and the sale of subscriptions for or shares of stock
16 of cooperative associations organized exclusively for
17 agricultural, producer, marketing, purchasing, or consumer
18 purposes, if no commission or other remuneration is paid or
19 given directly or indirectly for or on account of such
20 subscription, sale or resale, and if any person does not own
21 beneficially more than 5% of the aggregate amount of issued and
22 outstanding capital stock of such cooperative association.

23 L. Offers for sale or solicitations of offers to buy (but
24 not the acceptance thereof), of securities which are the
25 subject of a pending registration statement filed under the
26 Federal 1933 Act and which are the subject of a pending

1 application for registration under this Act.

2 M. Any offer or sale of preorganization subscriptions for
3 any securities prior to the incorporation, organization or
4 formation of any issuer under the laws of the United States, or
5 any state, or the issuance by such issuer, after its
6 incorporation, organization or formation, of securities
7 pursuant to such preorganization subscriptions, provided the
8 number of subscribers does not exceed 25 and either (1) no
9 commission or other remuneration is paid or given directly or
10 indirectly for or on account of such sale or sales or issuance,
11 or (2) if any commission or other remuneration is paid or given
12 directly or indirectly for or on account of such sale or sales
13 or issuance, the securities are not offered or sold by any
14 means of general advertising or general solicitation in this
15 State.

16 N. The execution of orders for purchase of securities by a
17 registered salesperson and dealer, provided such persons act as
18 agent for the purchaser, have made no solicitation of the order
19 to purchase the securities, have no direct interest in the sale
20 or distribution of the securities ordered, receive no
21 commission, profit, or other compensation other than the
22 commissions involved in the purchase and sale of the securities
23 and deliver to the purchaser written confirmation of the order
24 which clearly identifies the commissions paid to the registered
25 dealer.

26 O. Any offer, sale or issuance of securities, other than

1 fractional undivided interests in an oil, gas or other mineral
2 lease, right or royalty, for the direct or indirect benefit of
3 the issuer thereof, or of a controlling person, whether through
4 a dealer (acting either as principal or agent) or otherwise, if
5 the securities sold, immediately following the sale or sales,
6 together with securities already owned by the purchaser, would
7 constitute 50% or more of the equity interest of any one
8 issuer, provided that the number of purchasers is not more than
9 5 and provided further that no commission, discount or other
10 remuneration exceeding 15% of the aggregate sale price of the
11 securities is paid or given directly or indirectly for or on
12 account of the sale or sales.

13 P. Any offer, sale or issuance of securities (except face
14 amount certificate contracts and investment fund shares)
15 issued by and representing an interest in an issuer which is a
16 business corporation incorporated under the laws of this State,
17 the purposes of which are to provide capital and supervision
18 solely for the redevelopment of blighted urban areas located in
19 a municipality in this State and whose assets are located
20 entirely within that municipality, provided: (1) no
21 commission, discount or other remuneration is paid or given
22 directly or indirectly for or on account of the sale or sales
23 of such securities; (2) the aggregate amount of any securities
24 of the issuer owned of record or beneficially by any one person
25 will not exceed the lesser of \$5,000 or 4% of the equity
26 capitalization of the issuer; (3) the officers and directors of

1 the corporation have been bona fide residents of the
2 municipality not less than 3 years immediately preceding the
3 effectiveness of the offering sheet for the securities under
4 this subsection P; and (4) the issuer files with the Secretary
5 of State an offering sheet descriptive of the securities
6 setting forth:

7 (a) the name and address of the issuer;

8 (b) the title and total amount of securities to be
9 offered;

10 (c) the price at which the securities are to be
11 offered; and

12 (d) such additional information as the Secretary of
13 State may prescribe by rule and regulation.

14 The Secretary of State shall within a reasonable time
15 examine the offering sheet so filed and, unless the Secretary
16 of State shall make a determination that the offering sheet so
17 filed does not conform to the requirements of this subsection
18 P, shall declare the offering sheet to be effective, which
19 offering sheet shall continue effective for a period of 12
20 months from the date it becomes effective. The fee for
21 examining the offering sheet shall be as established pursuant
22 to Section 11a of this Act, and shall not be returnable in any
23 event. The Secretary of State shall by rule or regulation
24 require the filing of a report or reports of sales made to
25 residents of this State in reliance upon the exemption provided
26 by this subsection P and prescribe the form of such report and

1 the time within which such report shall be filed. The Secretary
2 of State shall prescribe by rule or regulation the amount of
3 the fee for filing any such report, but such fee shall not be
4 less than the minimum amount nor more than the maximum amount
5 established pursuant to Section 11a of this Act, and shall not
6 be returnable in any event. The Secretary of State may impose,
7 in such cases as he or she may deem appropriate, a penalty for
8 failure to file any such report in a timely manner, but no such
9 penalty shall exceed an amount equal to five times the filing
10 fee. The contents of any such report shall be deemed
11 confidential and shall not be disclosed to the public except by
12 order of court or in court proceedings. The failure to file any
13 such report shall not affect the availability of such
14 exemption, but such failure to file any such report shall
15 constitute a violation of subsection D of Section 12 of this
16 Act, subject to the penalties enumerated in Section 14 of this
17 Act. The civil remedies provided for in subsection A of Section
18 13 of this Act and the civil remedies of rescission and
19 appointment of a receiver, conservator, ancillary receiver or
20 ancillary conservator provided for in subsection F of Section
21 13 of this Act shall not be available against any person by
22 reason of the failure to file any such report or on account of
23 the contents of any such report.

24 Q. Any isolated transaction, whether effected by a dealer
25 or not.

26 R. Any offer, sale or issuance of a security to any person

1 who purchases at least \$150,000 of the securities being
2 offered, where the purchaser's total purchase price does not,
3 or it is reasonably believed by the person relying upon this
4 subsection R that said purchase price does not, exceed 20
5 percent of the purchaser's net worth at the time of sale, or if
6 a natural person a joint net worth with that person's spouse,
7 for one or any combination of the following: (i) cash, (ii)
8 securities for which market quotations are readily available,
9 (iii) an unconditional obligation to pay cash or securities for
10 which quotations are readily available, which obligation is to
11 be discharged within five years of the sale of the securities
12 to the purchaser, or (iv) the cancellation of any indebtedness
13 owed by the issuer to the purchaser; provided that such
14 security is not offered or sold by means of any general
15 advertising or general solicitation in this State.

16 S. Any offer, sale or issuance of a security to any person
17 who is, or who is reasonably believed by the person relying
18 upon this subsection S to be, a director, executive officer, or
19 general partner of the issuer of the securities being offered
20 or sold, or any director, executive officer, or general partner
21 of a general partner of that issuer. For purposes of this
22 subsection S, "executive officer" shall mean the president, any
23 vice president in charge of a principal business unit, division
24 or function (such as sales, administration or finance), any
25 other officer who performs a policy making function, or any
26 other person who performs similar policy making functions for

1 the issuer. Executive officers of subsidiaries may be deemed
2 executive officers of the issuer if they perform such policy
3 making functions for the issuer.

4 A document being filed pursuant to this Section 4 shall be
5 deemed filed, and any fee paid pursuant to this Section 4 shall
6 be deemed paid, upon the date of actual receipt thereof by the
7 Secretary of State.

8 T. An offer or sale of a security by an issuer that is
9 organized and, as of the time of the offer or sale, in good
10 standing under the laws of the State of Illinois, provided:

11 (1) The offering meets all of the requirements of the
12 federal exemption for intrastate offerings provided in
13 Section 3(a)(11) of the Securities Act of 1933 (15 U.S.C.
14 77c(a)(11)) and Rule 147 adopted under the Securities Act
15 of 1933 (17 CFR 230.147).

16 (2) The aggregate purchase price of all securities sold
17 by an issuer in reliance on the exemption under this
18 subsection, within any 12-month period, does not exceed
19 \$20,000,000; unless the issuer has been in business for
20 more than one full consecutive calendar year period and has
21 made available (directly, or through a qualified Internet
22 portal) to each prospective purchaser and the Secretary of
23 State, copies of its most recent annual financial
24 statements which have been audited by an independent
25 auditor and certified by such auditor, and by one or more
26 senior officers of the issuer, as fairly, completely and

1 accurately presenting the financial condition of the
2 issuer, in all material respects, as of the dates indicated
3 therein. In 2019 and every 5th year thereafter, the
4 Secretary of State shall cumulatively adjust the dollar
5 limitations in this paragraph (2) to reflect the change in
6 the Consumer Price Index for all Urban Consumers published
7 by the United States Department of Labor, Bureau of Labor
8 Statistics, rounding each dollar limitation to the nearest
9 \$500,000.

10 (3) The aggregate amount sold by an issuer to any
11 purchaser (other than an accredited investor or an
12 experienced investor) in an offering of securities made in
13 reliance on the exemption provided in this subsection,
14 within any consecutive 12-month period, does not exceed the
15 greater of \$10,000 or 10% of the purchaser's expected
16 annual income in the year of sale. With respect to whether
17 a purchaser has, or has not, exceeded the maximum purchase
18 limitation provided in this paragraph (3) during the
19 applicable 12-month period, an issuer may rely on the
20 written self-representation of the purchaser, provided
21 that the issuer has no knowledge, or other reason to
22 believe, that such limitation has been exceeded by the
23 purchaser.

24 With respect to satisfaction of the foregoing, an
25 issuer may rely on the written self-representation of a
26 purchaser as to whether such purchaser has, or has not,

1 exceeded such applicable maximum purchase limitation
2 during the applicable 12-month period, provided the issuer
3 has no knowledge, or other reason to believe, that such
4 limitation has been exceeded by the purchaser.

5 (4) The issuer:

6 (a) establishes a minimum and a maximum amount of
7 securities to be sold and a deadline for selling (or
8 otherwise getting commitments for the purchase of) the
9 established minimum amount of securities;

10 (b) conspicuously discloses the information
11 required pursuant to subparagraph (a) in any agreement
12 evidencing a purchaser's subscription to purchase
13 securities of the issuer and that the purchaser may
14 cancel such commitment at any time upon notice to the
15 issuer and without penalty, if the minimum target
16 offering amount is not raised on or before the proposed
17 deadline; and

18 (c) enters into an escrow agreement with a
19 qualified escrowee providing that, at a minimum:

20 (i) all funds to be received in connection with
21 the proposed offering shall be delivered to, and
22 held by, the qualified escrowee pursuant to the
23 terms of the escrow agreement; and

24 (ii) the issuer shall not have access to the
25 escrow funds, or any portion thereof, until the
26 aggregate funds received by the qualified escrowee

1 in connection with the proposed offering equals or
2 exceeds the minimum amount of securities to be sold
3 as established by the issuer.

4 (5) The issuer shall have made available to each
5 prospective purchaser and the Secretary of State, copies of
6 its most recent financial statements personally certified
7 by one or more senior officers of the issuer as fairly,
8 completely and accurately presenting the financial
9 condition of the issuer, in all material respects, as of
10 the dates indicated therein.

11 (6) No commission or other remuneration is paid or
12 given directly or indirectly to any person or entity
13 (including, without limitation, any qualified Internet
14 portal) for soliciting any person in this State, except to
15 broker-dealers and agents licensed in this State.

16 (7) Not less than 5 days before the earlier of the
17 first sale of securities made in reliance on the exemption
18 provided in this subsection T, or the use of any general
19 solicitation with respect thereto (other than a general
20 announcement made by (or on behalf of) an issuer in
21 accordance with paragraph (13) of this subsection T), the
22 issuer:

23 (a) files a notice with the Secretary of State, in
24 a written or electronic form as prescribed by the
25 Secretary of State (which form the Secretary of State
26 shall make available on the Secretary of State's

1 Internet website), which specifies that the issuer
2 intends to make an offering of securities in reliance
3 on the exemption provided in this subsection T and
4 which includes the names and addresses of: (i) the
5 issuer; (ii) all persons or qualified Internet portals
6 that will sell or offer to sell the security on behalf
7 of the issuer; and (iii) the qualified escrowee engaged
8 to escrow the funds from the subject offering; further,
9 for so long as the offering remains open, the issuer
10 shall file a new notice with the Secretary of State
11 (without additional charge, provided such notice is
12 identified as an amendment to a previously filed
13 notice) if any information previously provided has
14 changed or has since become erroneous, false, or
15 materially misleading;

16 (b) delivers a fully executed copy of the escrow
17 agreement required pursuant to subparagraph (c) of
18 paragraph (4); further, for so long as the offering
19 remains open, the issuer shall promptly deliver to the
20 Secretary of State a fully executed copy of all
21 amendments to the escrow agreement; the information
22 provided pursuant to this subparagraph (b) shall not be
23 a public record and shall not be available for public
24 inspection; and

25 (c) pays the notification filing fee established
26 under Section 11a of this Act.

1 The Secretary of State shall, within a reasonable time,
2 examine the materials filed pursuant to this paragraph (7)
3 and, unless the Secretary of State notifies the issuer (or
4 the qualified Internet portal, to the extent used), on or
5 before the initial commencement date of the offering, of
6 his or her determination that any one or more of the filed
7 materials fails to conform to the requirements of this
8 subsection T, the proposed offering shall be deemed
9 permitted.

10 The Secretary of State shall prescribe by rule the
11 amount of the fee for filing the notice required in
12 subparagraph (a), established pursuant to Section 11a of
13 this Act, which shall not be returnable in any event. The
14 Secretary of State may impose, in such cases as he or she
15 may deem appropriate, a penalty for failure to file any
16 such notice in a timely manner, but no such penalty shall
17 exceed an amount equal to 5 times the filing fee. The
18 contents of any such notice or portion thereof may be
19 deemed confidential by the Secretary of State by rule or
20 order and if so deemed shall not be disclosed to the public
21 except by order of court or in court proceedings. The
22 failure to file any such notice does not affect the
23 availability of such exemption, but such failure to file
24 any such report constitutes a violation of subsection D of
25 Section 12 of this Act, subject to the penalties in Section
26 14 of this Act. The civil remedies provided in subsection A

1 of Section 13 of this Act and the civil remedies of
2 rescission and appointment of a receiver, conservator,
3 ancillary receiver, or ancillary conservator provided in
4 subsection F of Section 13 of this Act are not available
5 against any person by reason of the failure to file any
6 such report or on account of the contents of any such
7 report.

8 (8) The issuer provides a copy of the escrow agreement,
9 the disclosure document, and all other documents or
10 information then provided to the Secretary of State under
11 subparagraph (a) or (b) of paragraph (7) to each
12 prospective purchaser at the time the offer of securities
13 is made. Further, for so long as the offering remains open,
14 the issuer is required to promptly provide a copy to each
15 prospective and completed purchaser of all replacements,
16 modifications, attachments, updates, or other information
17 provided to the Secretary of State pursuant to subparagraph
18 (a) or (b) of paragraph (7). An issuer may satisfy the
19 reporting requirement of this paragraph (8) by making the
20 information available, in a printable format, on its own
21 website or through a qualified Internet portal provided
22 such information is promptly made available by the issuer
23 and the issuer promptly alerts each prospective purchaser
24 or completed purchaser of the availability of the
25 information.

26 (9) All payments for purchase of securities offered

1 pursuant to the exemption provided under this subsection T
2 are made directly to, and held by, the qualified escrowee
3 identified in the escrow agreement required pursuant to
4 subparagraph (c) of paragraph (4).

5 (10) The issuer includes (and, to the extent a
6 qualified Internet portal is used, the qualified Internet
7 portal includes) the following legend conspicuously on the
8 cover page of any disclosure document delivered to a
9 prospective purchaser or to which a prospective purchaser
10 has been granted electronic access:

11 IN MAKING AN INVESTMENT DECISION, INVESTORS MUST
12 RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE
13 TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS
14 INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED
15 BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR
16 DIVISION OR OTHER REGULATORY AUTHORITY. FURTHERMORE,
17 THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE
18 ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.
19 ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL
20 OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS
21 ON TRANSFERABILITY AND RESALE AND MAY NOT BE
22 TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE
23 SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE
24 STATE SECURITIES LAWS, OR PURSUANT TO REGISTRATION OR
25 EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT
26 THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF

1 THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

2 (11) The issuer (directly or through a qualified
3 Internet portal) requires each purchaser to certify, in
4 writing or electronically, as follows:

5 I UNDERSTAND AND ACKNOWLEDGE THAT:

6 I am a resident of the State of Illinois.

7 I am investing in a high-risk, speculative
8 business venture. I may lose all of my investment and I
9 can afford the loss of my investment.

10 This offering has not been reviewed or approved by
11 any State or federal securities commission or division
12 or other regulatory authority and no such person or
13 authority has confirmed the accuracy or determined the
14 adequacy of any disclosure made to me relating to this
15 offering.

16 The securities I am acquiring in this offering are
17 illiquid, there is no ready market for the sale of such
18 securities, it may be difficult or impossible for me to
19 sell or otherwise dispose of this investment, and,
20 accordingly, I may be required to hold this investment
21 indefinitely.

22 I may be subject to tax on my share of the taxable
23 income and losses of the company, whether or not I have
24 sold or otherwise disposed of my investment or received
25 any dividends or other distributions from the company.

26 (Signature)

1 (12) The issuer (directly or through a qualified
2 Internet portal) obtains from each purchaser of a security
3 offered under this subsection T evidence that the purchaser
4 is a resident of this State and, if applicable, is an
5 experienced investor or accredited investor. Without
6 limiting the generality of the foregoing, and not to the
7 exclusion of other reasonable methods which may be used by
8 the issuer in connection with the foregoing, an issuer may
9 rely:

10 (a) on a copy of a valid driver's license (or
11 third-party verification based on a purchaser's valid
12 driver's license information), or verification
13 (independently or by a third-party) of the state of
14 origination of the purchaser's Internet Protocol (IP)
15 address, for purposes of establishing an individual
16 purchaser's residence, provided the issuer has no
17 knowledge, or other reason to believe, that the
18 individual purchaser is not a resident of the State;
19 and

20 (b) on representations signed, in writing or
21 electronically, by a purchaser for purposes of
22 establishing such purchaser's status as an experienced
23 investor and identifying each of the requirements of
24 Section 2.37 which apply to such purchaser (and, with
25 respect to subsections (c), (d), (e), or (g) of Section
26 2.37, as applicable, a description of the applicable

1 license, advanced degree, or job position), provided
2 the issuer has no knowledge, or other reason to
3 believe, that such representations are, or may be,
4 false in whole or in part; and

5 (c) on representations signed, in writing or
6 electronically, by a purchaser for purposes of
7 establishing such purchaser's status as an accredited
8 investor, provided the issuer has no knowledge, or
9 other reason to believe, that such representations
10 are, or may be, false in whole or in part.

11 (13) The issuer (and to the extent a qualified Internet
12 portal is used, such qualified Internet portal) takes
13 commercially reasonable measures to limit access to any
14 information concerning the offer or sale of the subject
15 securities to residents of this State. Notwithstanding the
16 foregoing, an issuer is permitted to disseminate (and is
17 not deemed in violation of this paragraph (13) for
18 disseminating) through a qualified Internet portal or
19 otherwise a general announcement regarding the issuer's
20 intent to make an offer in reliance on the exemption under
21 this subsection T, so long as such general announcement
22 contains a statement making it clear that the offering is
23 directed only to residents of this State and the
24 information provided in such general announcement is
25 limited only to one or more of the following:

26 (a) a statement that the issuer is conducting an

1 offering in reliance on the exemption under this
2 subsection T;

3 (b) the name and web address of a qualified
4 Internet portal (if any) conducting the offering;

5 (c) the minimum and maximum amount of the offering;

6 or

7 (d) factual information about the legal identity
8 and business location of the issuer, limited to: the
9 name of the issuer; the address, phone number, and
10 website (if any) of the issuer; a one sentence
11 description of the business of the issuer; or the
12 contact information of a representative of the issuer.

13 (14) The issuer (and to the extent a qualified Internet
14 portal is used, the entity maintaining such qualified
15 Internet portal) reasonably believes that all purchasers
16 are purchasing for investment and not for sale in
17 connection with a distribution of the security.

18 (15) Until no securities issued under this exemption
19 are outstanding, the issuer shall provide quarterly to each
20 purchaser, free of charge, internally or accountant
21 prepared quarterly financial statements of the issuer,
22 certified by a senior officer of the issuer as fairly,
23 completely and accurately presenting the financial
24 condition of the issuer, in all material respects, as of
25 the dates indicated therein. An issuer may satisfy the
26 reporting requirement of this paragraph (15) by making the

1 information available on its own website or through a
2 qualified Internet portal if the information is made
3 available within 45 days after the end of each fiscal
4 quarter, the information remains available until the
5 succeeding quarterly report is issued, and the issuer
6 promptly alerts each purchaser of the availability of the
7 information.

8 (16) The issuer (and to the extent a qualified Internet
9 portal is used, such qualified Internet portal) maintains
10 records of all offers and sales of securities made pursuant
11 to the exemption granted by this subsection T and provides
12 ready access to such records to the Secretary of State,
13 upon reasonable prior written request.

14 (17) The issuer is not, either before or as a result of
15 the offering:

16 (a) an investment company, as defined in Section 3
17 of the Investment Company Act of 1940 (15 U.S.C.
18 80a-3), as amended and in effect (unless the issuer
19 qualifies for exclusion from such definition pursuant
20 to one or more of the exceptions provided in Section
21 3(c) of the Investment Company Act of 1940, any other
22 provision of the Investment Company Act of 1940, or any
23 administrative rule or regulation promulgated with
24 respect to the Investment Company Act of 1940 or in
25 connection therewith); or

26 (b) subject to the reporting requirements of

1 Section 13 or 15(d) of the Securities Exchange Act of
2 1934 (15 U.S.C. 78m or 15 U.S.C. 78o(d)).

3 (18) Neither the issuer, nor any person affiliated with
4 the issuer (either before or as a result of the offering),
5 nor the offering itself, nor the qualified Internet portal
6 (to the extent used) is subject to disqualification
7 established by the Secretary of State by rule or contained
8 in the Securities Act of 1933 (15 U.S.C. 77c(a)(11)) and
9 Rule 147 adopted under the Securities Act of 1933 (17 CFR
10 230.147), unless both of the following are met:

11 (a) on a showing of good cause and without
12 prejudice to any other action by the Secretary of
13 State, the Secretary of State determines that it is not
14 necessary under the circumstances that an exemption is
15 denied; and

16 (b) the issuer establishes that it made a factual
17 inquiry into whether any disqualification existed
18 under this paragraph (18), but did not know, and in the
19 exercise of reasonable care could not have known, that
20 a disqualification existed under this paragraph (18);
21 the nature and scope of the requisite inquiry will vary
22 based on the circumstances of the issuer and the other
23 offering participants.

24 (Source: P.A. 90-70, eff. 7-8-97; 91-809, eff. 1-1-01.)

1 Sec. 8d. Offerings made through qualified Internet
2 portals. An issuer may make an offering or sale of securities
3 pursuant to subsection T of Section 4 of this Act through the
4 use of one or more qualified Internet portals, subject to the
5 following:

6 (a) The Internet portal shall at all times be owned by
7 a corporation or other legal entity which is either
8 organized under the laws of, or is otherwise qualified to
9 do business in, this State and the entity shall be in good
10 standing in this State as of the date of the proposed
11 offering of securities.

12 (b) The Internet portal shall establish and maintain
13 commercially reasonable measures to limit access to any
14 information concerning an offer or sale of the subject
15 securities (other than information permitted of the type
16 permitted in connection with a general announcement by the
17 issuer pursuant to paragraph (13) of subsection T of
18 Section 4) to only residents of this State. Without
19 limiting the generality of the foregoing, and not to the
20 exclusion of other reasonable methods which may be utilized
21 by the Internet portal in connection with the foregoing, an
22 Internet portal may rely:

23 (i) for purposes of access to offering materials in
24 connection with a proposed offering, a representation
25 signed, in writing or electronically, by an individual
26 prospective purchaser, or verification (independently

1 or by a third-party) of the state of origination of the
2 purchaser's Internet Protocol (IP) address, for
3 purposes of establishing such purchaser's residence,
4 provided the entity maintaining the Internet portal
5 has no knowledge, or other reason to believe, that the
6 individual purchaser is not a resident of the State;
7 and

8 (ii) in connection with an actual purchase and sale
9 of a security pursuant to a proposed offering, on a
10 copy of a valid driver's license (or third-party
11 verification based on a purchaser's valid driver's
12 license information), or verification (independently
13 or by a third-party) of the state of origination of the
14 purchaser's Internet Protocol (IP) address, for
15 purposes of establishing an individual purchaser's
16 residence, provided the entity maintaining the
17 Internet portal has no knowledge, or other reason to
18 believe, that the individual purchaser is not a
19 resident of the State.

20 (c) The Internet portal shall establish and maintain
21 (during the time the offering appears on the Internet
22 portal) a secure method of communication through the
23 Internet portal itself that will permit potential
24 investors to communicate with one another and with
25 representatives of the issuer about the offering. Further,
26 the foregoing communications must be made visible and

1 accessible (at all times during the time the offering
2 appears on the Internet portal) to all those with access to
3 the offering materials of issuer.

4 (d) The Internet portal shall establish and maintain a
5 secure method of communication through the Internet portal
6 itself that will permit the issuer and purchasers to
7 communicate with one another.

8 (e) The Internet portal:

9 (1) shall be a registered broker-dealer under the
10 Securities Exchange Act of 1934 (15 U.S.C. 78o);

11 (2) shall be a funding portal registered under the
12 Securities Act of 1933 (15 U.S.C. 77d-1) and the
13 Securities and Exchange Commission has adopted rules
14 under authority of Section 3(h) of the Securities
15 Exchange Act of 1934 (15 U.S.C. 78c) and Section 304 of
16 the Jumpstart Our Business Startups Act (P.L. 112-106)
17 governing funding portals;

18 (3) shall be a dealer or an investment advisor
19 registered and in good standing under this Act as of
20 the date of any offer or sale of securities made
21 through the Internet portal; or

22 (4) shall, to the extent it meets the
23 qualifications for exemption from registration
24 pursuant to subsection (g) of this Section:

25 (A) file, not later than 30 days before the
26 date of the first offer or sale of securities made

1 within this State, an application for
2 qualification (or renewal of qualification, as
3 applicable) as a qualified Internet portal with
4 the Secretary of State, in writing or in electronic
5 form as prescribed by the Secretary of State, which
6 the Secretary of State shall make available as an
7 electronic document on the Secretary of State's
8 Internet website, containing such information and
9 required deliveries as specified therein; and

10 (B) pay the application filing fee established
11 under Section 11a of this Act; the Secretary of
12 State shall, within a reasonable time, examine the
13 filed application and other materials filed and,
14 unless the Secretary of State notifies the
15 Internet portal of the rejection of such
16 application (or renewal application, as
17 applicable) on or before the initial commencement
18 date of the offering, the Internet portal shall be
19 deemed to be a qualified Internet portal for
20 purposes of this Act.

21 (f) If any change occurs in the information submitted
22 by, or on behalf of, an Internet portal to the Secretary of
23 State, an Internet portal shall notify the Secretary of
24 State within 30 days after such change occurs and shall
25 provide the Secretary of State with such additional
26 information (if any) requested by the Secretary of State in

1 connection therewith.

2 (g) Notwithstanding anything contained in this Act to
3 the contrary, neither an Internet portal nor its owning or
4 operating entity is required to register as a dealer or an
5 investment advisor under this Act if each of the following
6 applies with respect to the Internet portal and its owning
7 or operating entity:

8 (1) It does not solicit purchases, sales, or offers
9 to buy the securities offered or displayed on the
10 Internet portal.

11 (2) It does not collect or hold funds in connection
12 with any purchase, sale, or offer to buy any securities
13 offered or displayed on the Internet portal.

14 (3) It does not compensate employees, agents, or
15 other persons for the solicitation or based on the sale
16 of securities displayed or referenced on the Internet
17 portal.

18 (4) It is not compensated based on the amount of
19 securities sold.

20 (5) The fee it charges an issuer for an offering of
21 securities on the Internet portal is a fixed amount for
22 each offering, a variable amount based on the length of
23 time that the securities are offered on the Internet
24 portal, a variable amount based on the total proposed
25 offering amount, or any combination of such fixed and
26 variable amounts.

1 (6) It does not offer investment advice or
2 recommendations; however, an Internet portal is not
3 deemed to be offering investment advice or
4 recommendations simply by virtue of:

5 (A) selecting transactions in which the
6 Internet portal shall serve as an intermediary;

7 (B) establishing reasonable selection criteria
8 for an issuer to meet in order to establish an
9 offer or sale of securities through the Internet
10 portal;

11 (C) establishing reasonable selection criteria
12 for a potential purchaser to meet in order to
13 participate in an offer or sale of securities made
14 through the Internet portal; or

15 (D) terminating an issuer transaction at any
16 time before the first sale of the securities of
17 such issuer if the Internet portal determines such
18 action is appropriate, after reasonable due
19 diligence, to protect potential purchasers and the
20 Internet portal is able to direct the qualified
21 escrowee to return all funds then provided by
22 potential purchasers, if any.

23 (7) It does not engage in such other activities as
24 the Secretary of State, by rule, determines are
25 prohibited of such an Internet portal.

1 (815 ILCS 5/11a) (from Ch. 121 1/2, par. 137.11a)

2 Sec. 11a. Fees.

3 (1) The Secretary of State shall by rule or regulation
4 impose and shall collect reasonable fees necessary for the
5 administration of this Act including, but not limited to, fees
6 for the following purposes:

7 (a) filing an application pursuant to paragraph (2) of
8 subsection F of Section 4 of this Act;

9 (b) examining an application and report pursuant to
10 paragraph (2) of subsection F of Section 4 of this Act;

11 (c) filing a report pursuant to subsection G of Section
12 4 of this Act, determined in accordance with paragraph (4)
13 of subsection G of Section 4 of this Act;

14 (d) examining an offering sheet pursuant to subsection
15 P of Section 4 of this Act;

16 (e) filing a report pursuant to subsection P of Section
17 4, determined in accordance with subsection P of Section 4
18 of this Act;

19 (f) examining an application to register securities
20 under subsection B of Section 5 of this Act;

21 (g) examining an amended or supplemental prospectus
22 filed pursuant to the undertaking required by
23 sub-paragraph (i) of paragraph (2) of subsection B of
24 Section 5 of this Act;

25 (h) registering or renewing registration of securities
26 under Section 5, determined in accordance with subsection C

1 of Section 5 of this Act;

2 (i) registering securities in excess of the amount
3 initially registered, determined in accordance with
4 paragraph (2) of subsection C of Section 5 of this Act;

5 (j) failure to file timely an application for renewal
6 under subsection E of Section 5 of this Act;

7 (k) failure to file timely any document or information
8 required under Section 5 of this Act;

9 (l) examining an application to register face amount
10 certificate contracts under subsection B of Section 6 of
11 this Act;

12 (m) examining an amended or supplemental prospectus
13 filed pursuant to the undertaking required by
14 sub-paragraph (f) of paragraph (2) of subsection B of
15 Section 6 of this Act;

16 (n) registering or renewing registration of face
17 amount certificate contracts under Section 6 of this Act;

18 (o) amending a registration of face amount certificate
19 contracts pursuant to subsection E of Section 6 of this Act
20 to add any additional series, type or class of contract;

21 (p) failure to file timely an application for renewal
22 under subsection F of Section 6 of this Act;

23 (q) adding to or withdrawing from deposits with respect
24 to face amount certificate contracts pursuant to
25 subsection H of Section 6, a transaction charge payable at
26 the times and in the manner specified in subsection H of

1 Section 6 (which transaction charge shall be in addition to
2 the annual fee called for by subsection H of Section 6 of
3 this Act);

4 (r) failure to file timely any document or information
5 required under Section 6 of this Act;

6 (s) examining an application to register investment
7 fund shares under subsection B of Section 7 of this Act;

8 (t) examining an amended or supplemental prospectus
9 filed pursuant to the undertaking required by
10 sub-paragraph (f) of paragraph (2) of subsection B of
11 Section 7 of this Act;

12 (u) registering or renewing registration of investment
13 fund shares under Section 7 of this Act;

14 (v) amending a registration of investment fund shares
15 pursuant to subsection D of Section 7 of this Act to
16 register an additional class or classes of investment fund
17 shares;

18 (w) failure to file timely an application for renewal
19 under paragraph (1) of subsection G of Section 7 of this
20 Act;

21 (x) examining an application for renewal of
22 registration of investment fund shares under paragraph (2)
23 of subsection G of Section 7 of this Act;

24 (y) failure to file timely any document or information
25 required under Section 7 of this Act;

26 (z) filing an application for registration or

1 re-registration of a dealer or limited Canadian dealer
2 under Section 8 of this Act for each office in this State;

3 (aa) in connection with an application for the
4 registration or re-registration of a salesperson under
5 Section 8 of ~~or~~ this Act, for the following purposes:

6 (i) filing an application;

7 (ii) a Securities Audit and Enforcement Fund fee;

8 and

9 (iii) a notification filing of federal covered
10 investment advisers;

11 (bb) in connection with an application for the
12 registration or re-registration of an investment adviser
13 under Section 8 of this Act;

14 (cc) failure to file timely any document or information
15 required under Section 8 of this Act;

16 (dd) filing a consent to service of process under
17 Section 10 of this Act;

18 (ee) issuing a certificate pursuant to subsection B of
19 Section 15 of this Act;

20 (ff) issuing a certified copy pursuant to subsection C
21 of Section 15 of this Act;

22 (gg) issuing a non-binding statement pursuant to
23 Section 15a of this Act;

24 (hh) filings by Notification under Section 2a;

25 (ii) notification filing of federal Regulation D,
26 Section 506 offering under the Federal 1933 Act;

1 (jj) notification filing of securities and closed-end
2 investment company securities;

3 (kk) notification filing of face amount certificate
4 contracts;

5 (ll) notification filing of open-end investment
6 company securities;

7 (mm) filing a report pursuant to subsection D of
8 Section 4 of this Act;

9 (nn) in connection with the filing of an application
10 for registration or re-registration of an investment
11 adviser representative under subsection D of Section 8 of
12 this Act;

13 (oo) filing a notice pursuant to paragraph (6) of
14 subsection T of Section 4 of this Act; and

15 (pp) applying for qualification, or renewing
16 qualification, as a qualified Internet portal pursuant to
17 paragraph (iv) of subsection (b) of Section 8d of this Act.

18 (2) The Secretary of State may, by rule or regulation,
19 raise or lower any fee imposed by, and which he or she is
20 authorized by law to collect under, this Act.

21 (Source: P.A. 90-70, eff. 7-8-97; 91-357, eff. 7-29-99; revised
22 12-11-14.)

23 (815 ILCS 5/18.1)

24 Sec. 18.1. Additional fees. In addition to any other fee
25 that the Secretary of State may impose and collect pursuant to

1 the authority contained in Sections 4, 8, and 11a of this Act,
2 beginning on July 1, 2003 the Secretary of State shall also
3 collect the following additional fees:

4	Securities offered or sold under the Uniform	
5	Limited Offering Exemption Pursuant to	
6	Section 4.D of the Act	\$100
7	<u>Securities offered or sold under the Uniform</u>	
8	<u>Limited Offering Exemption pursuant to subsection</u>	
9	<u>T of Section 4 of this Act.....</u>	<u>\$100</u>
10	Registration and renewal of a dealer	\$300
11	<u>Registration and renewal of a qualified Internet</u>	
12	<u>portal</u>	<u>\$300</u>
13	Registration and renewal of an investment adviser	\$200
14	Federal covered investment adviser notification	
15	filing and annual notification filing	\$200
16	Registration and renewal of a salesperson	\$75
17	Registration and renewal of an investment adviser	
18	representative and a federal covered	
19	investment adviser representative	\$75

20 Investment fund shares notification filing and annual
21 notification filing: \$800 plus \$80 for each series, class, or
22 portfolio.

23 All fees collected by the Secretary of State pursuant to
24 this amendatory Act of the 93rd General Assembly shall be
25 deposited into the General Revenue Fund in the State treasury.

1 (Source: P.A. 93-32, eff. 7-1-03.)

1 INDEX

2 Statutes amended in order of appearance

3 815 ILCS 5/2.34 new

4 815 ILCS 5/2.35 new

5 815 ILCS 5/2.36 new

6 815 ILCS 5/2.37 new

7 815 ILCS 5/4 from Ch. 121 1/2, par. 137.4

8 815 ILCS 5/8d new

9 815 ILCS 5/11a from Ch. 121 1/2, par. 137.11a

10 815 ILCS 5/18.1